



U.S. OIL SANDS

Utah Energy Future in the Balance

A presentation to
**Utah Governor's Energy Development
Summit**
January 10, 2013

by **Cameron Todd**
Chief Executive Officer
US Oil Sands

Forward Looking Statements

This presentation contains forward-looking statements and forward looking information within the meaning of applicable Canadian securities laws (collectively "forward-looking statements"). Forward-looking statements in this presentation include, but are not limited to, statements with respect to: business strategy and strengths, exploration and development activities, the anticipated time and costs required to develop the PR Spring Project and to construct the modular plant required to commence operations, the environmental impact of the extraction process, access to markets and the availability of refining capacity and estimates relating to resource quantities, production rates, capital and operating costs, commodity prices, government royalty rates, netbacks and payout periods. Statements relating to "resources" involve the implied assessment, based on certain estimates and assumptions, that the resources described exist in the quantities predicted or estimated and can profitably be produced in the future.

With respect to forward-looking information contained in this presentation, the Company has made assumptions regarding, among other things: the expected costs to explore, delineate and develop its assets and the expected costs to construct the PR Spring Project; future crude oil, bitumen, natural gas and synthetic crude oil prices; the ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework with respect to royalties, taxes, environmental matters and resource recovery in the State of Utah; the ability to market production of bitumen successfully to customers; the timing and progress of work relating to development activities; geological and engineering estimates; the geography of the areas in which the Company will be exploring; the impact of increasing competition; the ability to obtain financing on acceptable terms; and the sufficiency of budgeted capital expenditures in carrying out planned activities.

We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and estimates expressed in such forward-looking statements. These factors include, but are not limited to: changes in general economic, market and business conditions; the volatility of oil and gas prices; production and development costs and capital expenditures; the imprecision of estimates of recoverable quantities of bitumen; the loss of key personnel; the marketability of production, defaults by third parties; unforeseen complications with patent applications or patent protection on extraction process; fluctuations in foreign currency and exchange rates; inadequate insurance coverage; compliance with environmental laws and regulations; actions by government or regulatory agencies, including changes in tax laws; changes in laws or regulations; access to external sources of debt and equity capital; and the occurrence of unexpected events involved in the operation and development of oil sands properties. The risks outlined above should not be construed as exhaustive. Investors are cautioned not to place undue reliance on any forward-looking statements.

When relying on our forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Furthermore, the forward-looking statements contained in this presentation are made as of the date of this presentation US Oil Sand Inc. does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

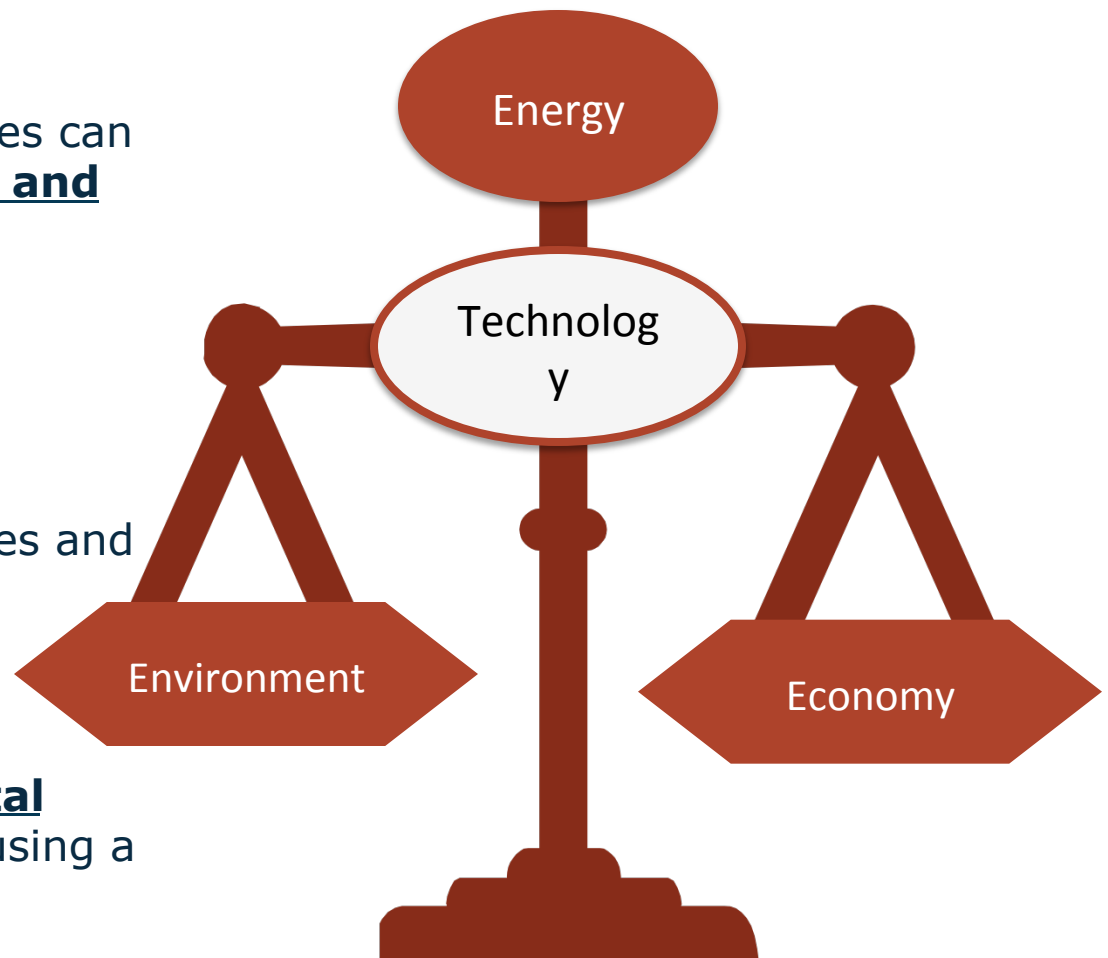
Disclosure of Oil and Gas Resource Information

The Company has disclosed Discovered Resources in this presentation. Discovered Resources is that quantity of bitumen that is estimated, as of a given date, to be contained in known accumulations on Company lands prior to production. There is no certainty that it will be commercially viable to produce any portion of the resources. Additional information relating to resource estimates is contained in the Company's Statement of Resources Data and Other Oil and Gas Information for the year ended December 31, 2011 dated March 27, 2012 and available on SEDAR at www.sedar.com.

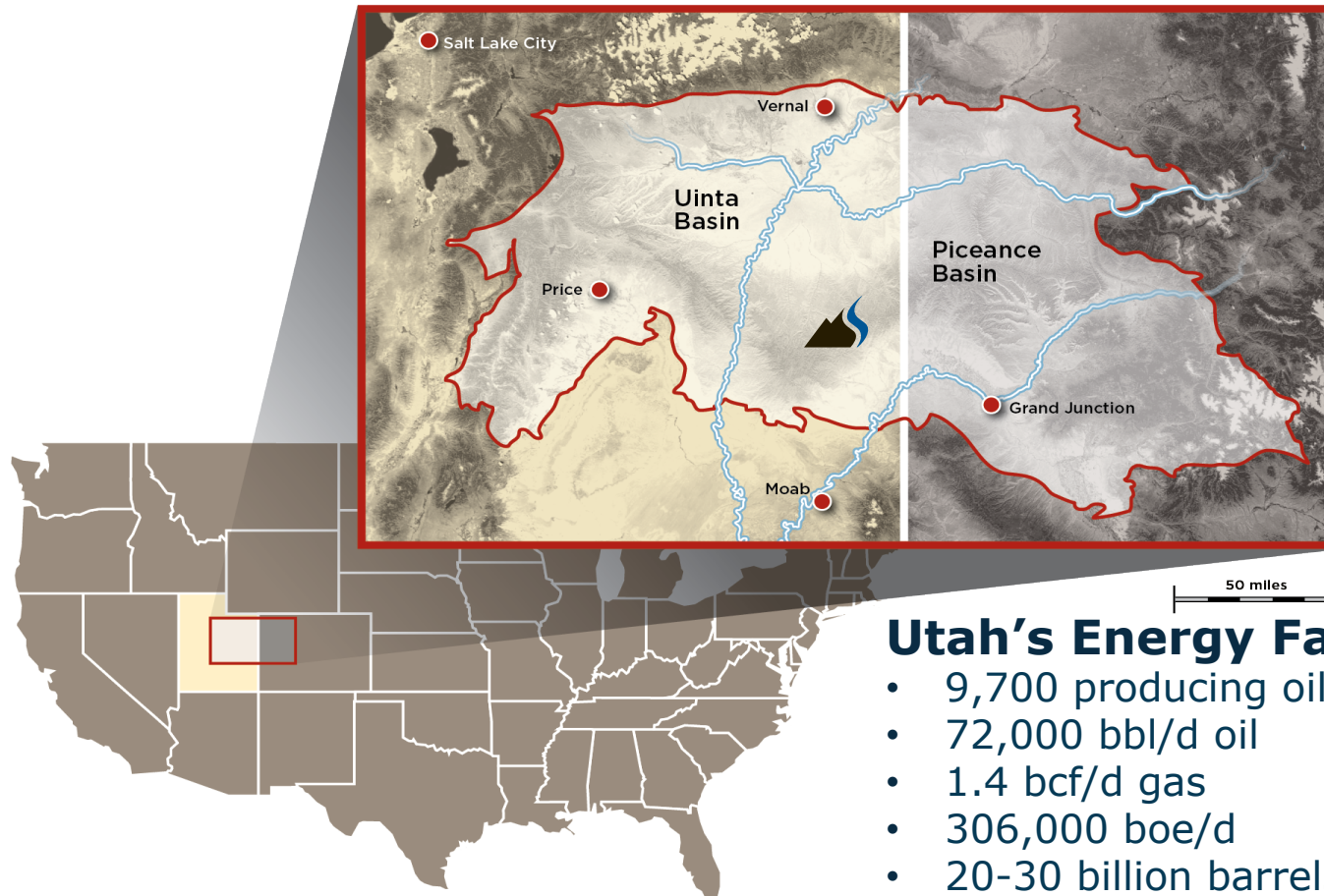
Currency Used in Presentation Material:
All amounts herein expressed in USD unless otherwise stated.

Utah's Energy Future in the Balance

- Utah's large **energy** resources can be developed **economically and responsibly**
- The key is **new technology**
- **Benefits** to local communities and the state are significant
- World-leading **environmental performance** is attainable using a **balanced approach**



Utah's Large Energy Resources



Utah's Energy Facts

- 9,700 producing oil and gas wells
- 72,000 bbl/d oil
- 1.4 bcf/d gas
- 306,000 boe/d
- 20-30 billion barrels of bitumen
- 100's of billions barrels shale oil

US Oil Sands Inc.



- Calgary based oil sands company
- Active in Utah for over 8 years
- Large lease position in Uinta Basin
- Over 190 million barrels of bitumen resource discovered drilling 240 wells
- Breakthrough extraction technology
 - Biodegradable solvent
 - Patented, piloted
- Environmental leader
 - No tailings ponds
 - Low energy use
 - Low greenhouse gas
- Project will be built in stages
- Plan to grow to 20,000 bpd over 5 years

Innovation Breakthrough

- Traditional operations use hot water mixed with oil sand to release bitumen
 - Poor separation leads to tailings ponds
- USO process uses renewable biodegradable solvent from citrus
 - Oil separation is highly efficient
 - Result is clean water, clean sand and clean oil
 - No tailings ponds
 - Increases bitumen recovery to 96%
 - Solvent is recycled (98%)
 - Water is recycled (95%)
- Technology greatly reduces project costs
 - Simplicity of process allows smaller projects
 - Projects can be scaled up, reduces impact
 - Reclamation of land is concurrent



Economic Contribution

- \$35 million invested in the project to date:
 - Technology development and testing
 - Lease acquisition and annual royalties
 - Site design
 - Regulatory permitting
 - Core hole drilling for resource delineation
 - Water supply investigation and drilling



Economic Contribution

- Expected 2013/2014 economic benefits



75 to 100 permanent full-time, high-paying, steady jobs



\$35 million developing 1st phase



\$2 million annual royalties to SITLA



\$10 million in income taxes



\$30 million in operating expenses into the economy

- Over the next ten years



500 to 1000 permanent full-time, high-paying jobs



\$300 million in capital development



\$200 million in royalties to SITLA



\$800 million in income taxes



\$2 billion in operating expenses into the economy

Environmental Leadership

The PR Spring project demonstrates industry leading environmental attributes

- Lowest energy use (1/18 barrel oil equivalent to make 1 barrel)
- Highest water recovery > zero free water discharge
- Concurrent reclamation > smallest surface footprint
- Lowest greenhouse gases
- Low air emissions
- Highest bitumen recovery

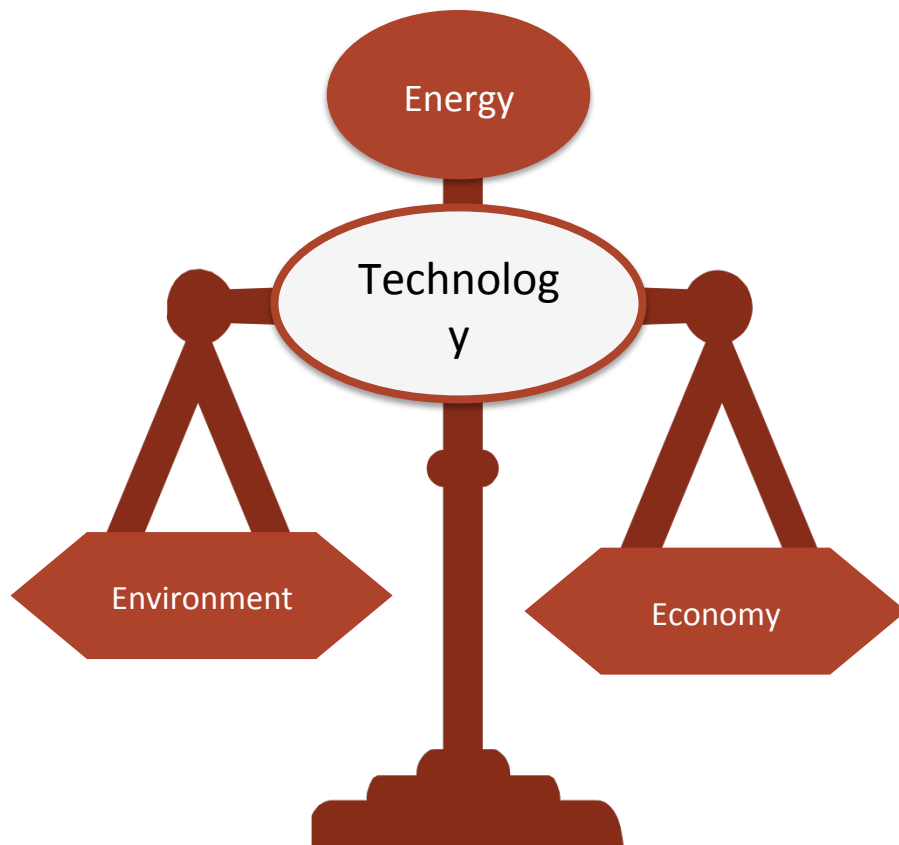


US Oil Sands and the PR Spring Project

- US Oil Sands has developed a proprietary process using a natural bio-solvent
- Company has invested over \$35 million over 8 years to delineate, design, test, approve and initiate the PR Spring Project
- Phase 1 is ready to commence construction
- Future growth to 20,000 bpd expected (5 yrs)
- PR Spring Project demonstrates a breakthrough in oil sands technology
- Industry-leading environmental attributes
 - Clean water, clean sand, small footprint, rapid reclamation, low energy cost, low greenhouse gas
- Game-changing economic results
 - Low capital costs, economically sustainable
 - Jobs, taxes and development for communities
 - Staged production growth allows infrastructure and communities to grow with the industry



Utah's Energy Future is in the Balance



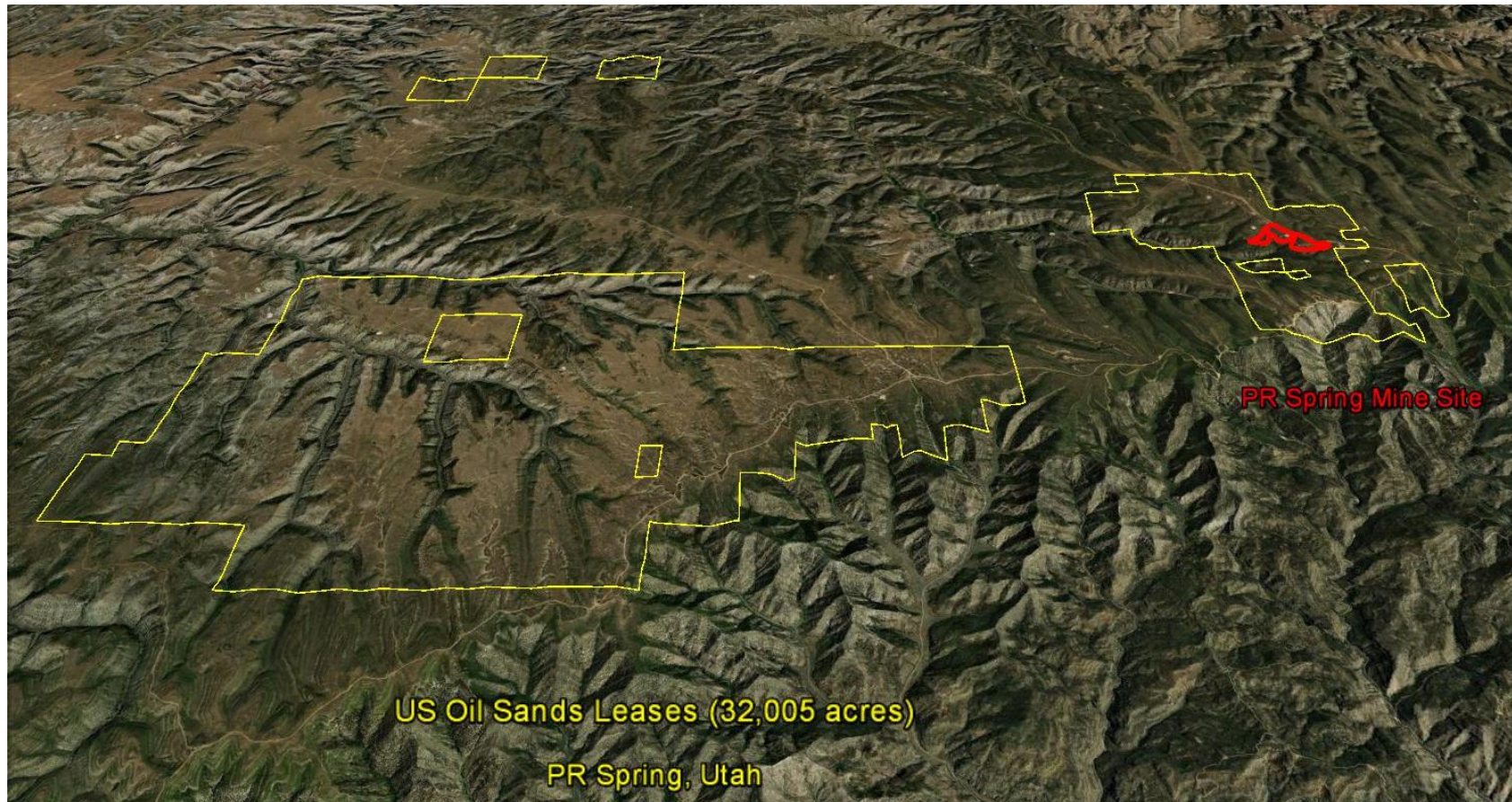
- Utah's enormous wealth of energy is within reach
- New breakthroughs in recovery efficiency and environmental performance will allow sustainable development
- Technology is the key to balance the needs of both environment and economic development

Appendices



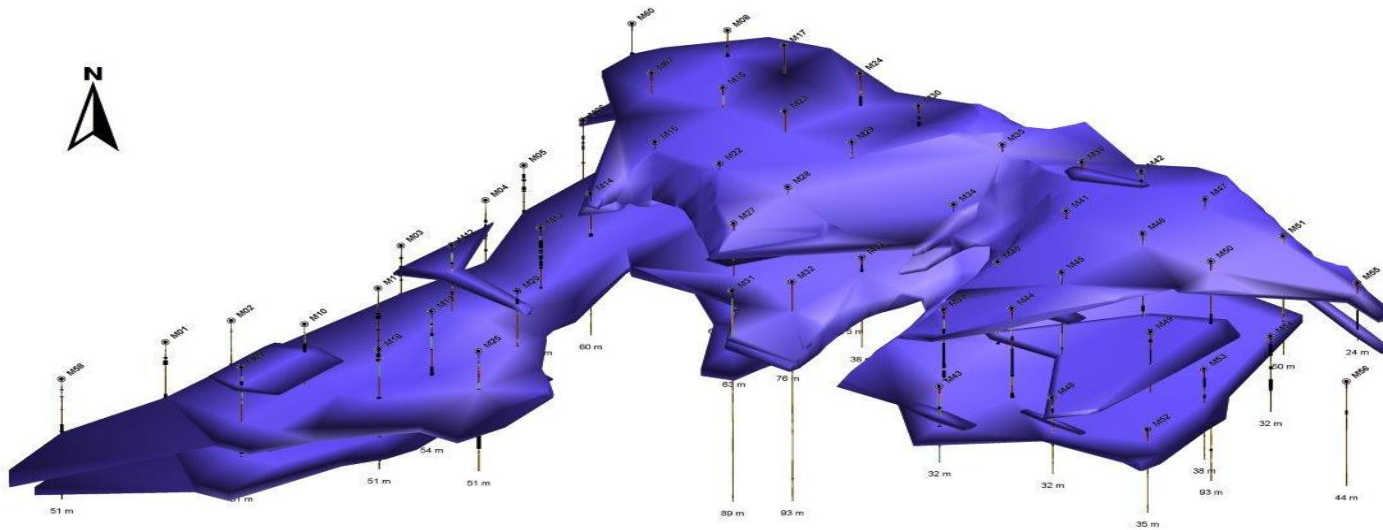
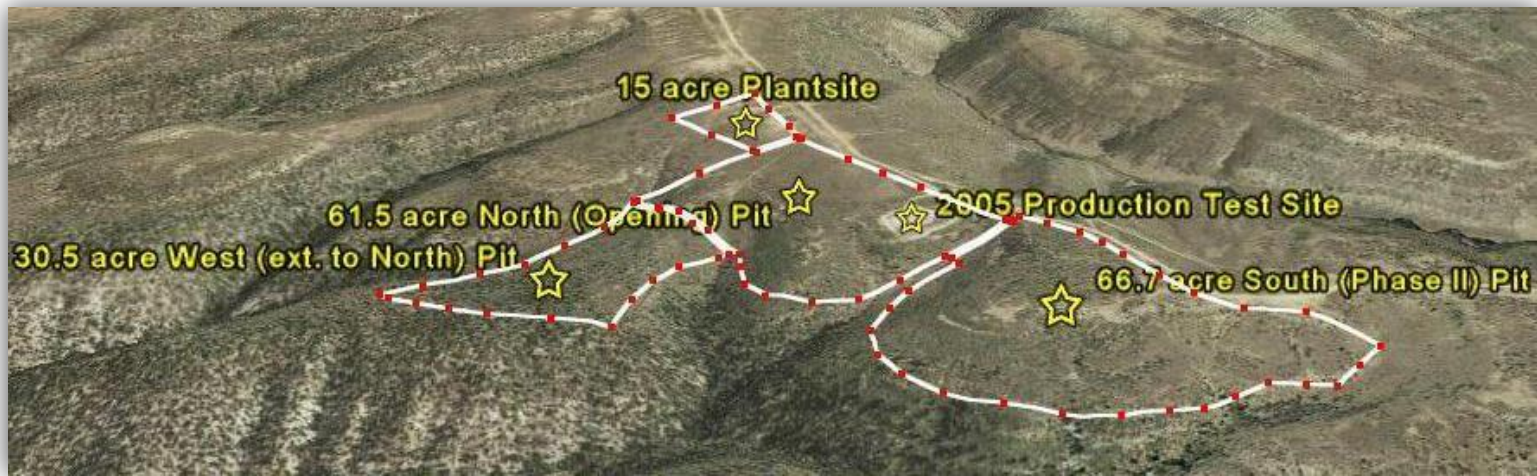
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Land Holdings are Extensive

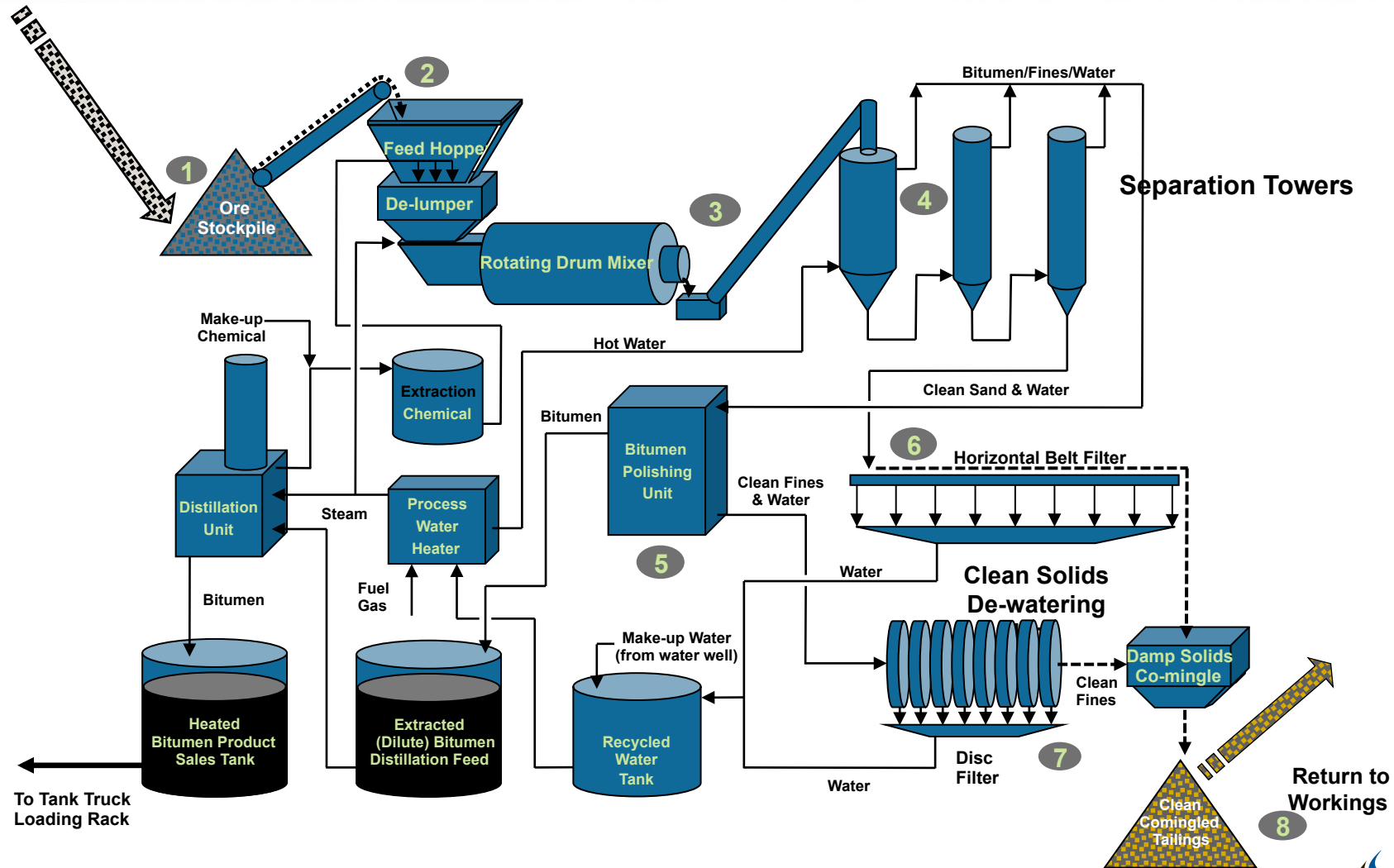




Planned 2013 Development Area

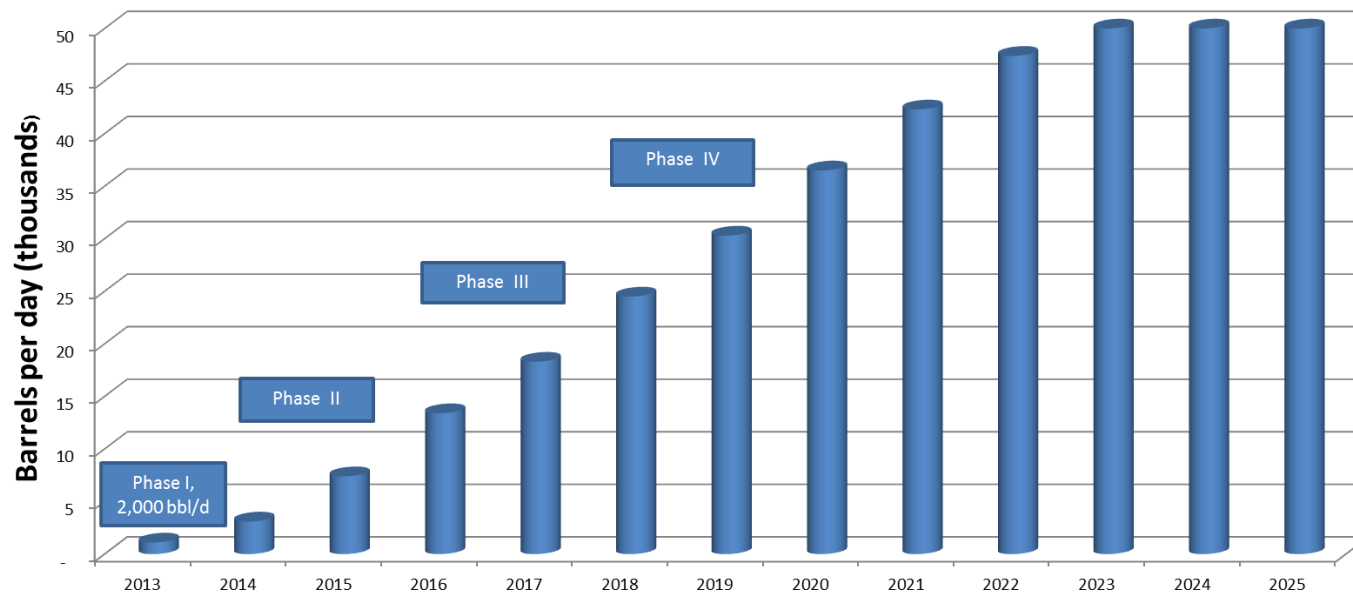


US Oil Sands Extraction Process



Production Growth in Phased Development

- Rapid build-up in phases
 - Modular construction allows flexible development of various capacities
 - Can be stand-alone, sequential or paired together
 - Units are portable and re-deployable
 - Low capital threshold, payout < 2 years
 - Capital cost per base module \$25-30 million



Experienced Leadership

Management Team

Cameron Todd

Chief Executive Officer

- Experienced leader with over 30 years in oil, gas and oil sand development and operations, most recently as Senior VP Operations, Refining and Marketing with Connacher Oil and Gas (5 years)
- 13 years as executive in US, Canada and international oil companies with extensive experience in engineering, production, refining, marketing and project development

Glen Snarr, CA

President & CFO

- 13 years public practice M&A and special situations experience with Deloitte & Touche
- 16 years oilfield service business experience in senior management capacities

Tim Wall, P.Eng

VP Engineering

- Over 30 years experience with juniors and integrations in diverse project engineering and operating management roles (refineries, gas plants, pipelines, open-pit coal mines and civil infrastructure)
- Previously senior project manager with Colt Engineering for Imperial Oil, running front-end field investigations and infrastructure planning for \$10 billion Kearl Oil Sands project in Athabasca

Barclay Cuthbert,

B.Sc. Chem, MBA

VP Operations

- 17 years experience in oil & gas industry with oil and oilfield services in Canada, Russia and Middle East. Successfully constructed and operated an oilfield chemical plant in western Siberia
- Previously with LUKoil Overseas in international exploration and production, with heavy oil development focus in South America



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Cameron M. Todd
Chief Executive Officer
cameron.todd@usoilsandsinc.com

D. Glen Snarr
President & Chief Financial Officer
glen.snarr@usoilsandsinc.com

(403) 233-9366
www.usoilsandsinc.com

TSXV: USO